

# CHAPTER 1

## GENERAL STUDENT ELIGIBILITY REQUIREMENTS

This Chapter outlines basic student eligibility requirements for the Commission's need-based Iowa student financial aid programs. Specific requirements about individual programs and any exceptions to these General Requirements can be found in individual program chapters (see Chapters 4 through 16).

### A. ELIGIBLE STUDENTS

To receive state-funded student financial aid in Iowa, students must be:

- Residents of the State of Iowa (as defined in this Chapter), and
- United States citizens or nationals, or
- U.S. permanent residents or other eligible noncitizens (as stipulated for Federal Student Aid eligibility).
  - The All Iowa Opportunity Scholarship requires a student to be a US citizen or national or US permanent resident.

*Note: Undocumented students are not eligible for financial aid programs appropriated by the State of Iowa<sup>1</sup>.*

These general guidelines are consistent with Federal Department of Education requirements provided in Volume 1, Chapter 2 of the Federal Student Financial Aid Handbook. Other general eligibility requirements, consistent with federal student aid eligibility, are also applicable to state financial aid eligibility.

In addition applicants must:

- Be currently enrolled or planning to enroll in an undergraduate or graduate degree program that is eligible for federal student aid programs authorized under Title IV of the federal Higher Education Act of 1965, as amended (effective 7/1/2011),

---

<sup>1</sup> On 2/19/2013, the Iowa Attorneys General Office issued informal advice to the Iowa College Student Aid Commission on the legality of allowing undocumented students access to state-funded student financial aid programs (conclusion shown below).

*Homeland Security's implementation of Deferred Action for Childhood Arrivals (DACA) reflects a significant change in policy regarding the enforcement of immigration laws. DACA, however, does not alter the federal government's prohibition on the receipt of state-based aid by individuals who are not qualified aliens, non-immigrants or humanitarian parolees under section 1621. ICSAC continues to be prohibited by federal law from providing state-based aid to undocumented students regardless of their deferred action status.*

- File a Free Application for Federal Student Aid (FAFSA) as described in this chapter, and
- Demonstrate need, as defined by the Commission.

## B. APPLICATION – STUDENT AND FAMILY

To be considered for most Iowa need-based student financial aid, Iowa students and their parents (when applicable) must complete the Free Application for Federal Student Aid (FAFSA). Applications must be **received** by the Department of Education's Central Processing System on or before the Commission's July 1 deadline, not simply postmarked on or before the deadline. This applies to the following programs.

- Iowa Tuition Grant – Not-For-Profit
- Iowa Tuition Grant – Proprietary
- Kibbie Grant
- Iowa Vocational Technical Grant
- Barber and Cosmetology Arts and Sciences Tuition Grant

The following programs require completion of the Iowa Financial Aid Application. Where indicated, the student may also be required to file the FAFSA. Other priority deadlines may also exist. For a complete list of application deadlines, please visit the Commission website.

- All Iowa Opportunity Scholarship (FAFSA required)
- All Iowa Opportunity Foster Care Grant (FAFSA required)
- Education Training Voucher (FAFSA required)
- Iowa National Guard Education Assistance Program (NGEAP)
- Governor Terry E. Branstad State Fair Scholarship (FAFSA required)
- Teacher Shortage Loan Forgiveness Program
- Registered Nurse and Nurse Educator Loan Forgiveness Program

The Iowa Financial Aid Application can be accessed through the Commission website.

Iowa National Guard Educational Assistance applicants are **not** required to file FAFSAs. Iowa Work-Study applicants are not restricted by FAFSA filing deadlines; however, applicants **must** file FAFSAs and demonstrate need. The GEAR UP Iowa Scholarship also requires completion of the FAFSA, but is not restricted by a FAFSA filing deadline. Students and their families are responsible for giving complete and accurate information and for reporting changes to the need analysis processor and/or college and university officials. **Students should be encouraged to list at least one eligible Iowa college or university on their FAFSA to allow Commission processing of state aid.**

The Commission encourages students and college and university officials to make all changes and adjustments directly through the need analysis processor. This process can be handled by students updating FAFSA on the web, submitting revised Student Aid Reports (SARs), or by college or university officials submitting updates and/or corrections directly through the Central Processing System (CPS).

The Commission will receive corrections, adjustments, and changes made through the processor for all Iowa residents. College and university officials must report any changes to student information that affect eligibility for state programs that are not reported through the processor. **The Commission is unable to process revisions provided directly to the Commission by students.**

### C. IOWA RESIDENCY

When determining Iowa residency for a given student, the following policies are utilized, although, certain exceptions exist (explained below):

Community Colleges – refer to the Iowa Community College Uniform Policy on Student Residency Status;

<https://www.legis.iowa.gov/docs/ACO/IAC/LINC/06-10-2015.Rule.281.21.2.pdf>

Exception - If the individual qualifies for Iowa resident classification under section in 281—21.2(11)b(5)only, he or she is not considered a resident of Iowa for purposes of state-funded student financial aid.

Regent Universities/Private Colleges and Universities/Barber and Cosmetology Schools – refer to the Board of Regents policy, Iowa Administrative Code, Chapter 681, Section 1.4

<https://www.legis.iowa.gov/docs/ACO/IAC/LINC/05-13-2015.Rule.681.1.4.pdf>

Exception- If the individual qualifies for Iowa resident classification under section in 681—1.4(2)b only, he or she is not considered a resident of Iowa for purposes of state-funded student financial aid.

The main factor affecting residency is the reason for a student's presence in Iowa. If a person comes to Iowa primarily for educational purposes, that person will be considered a nonresident under the Commission's programs. The burden of proof that the student came to Iowa for reasons other than pursuing an education or that the student has subsequently established Iowa residency falls on the student.

When determining Iowa residency under the Board of Regents policy, the following guidelines should be considered:

1. Financially dependent students, whose parents move from Iowa after the students enroll in postsecondary education, remain Iowa residents throughout terms of continuous enrollment. Students are continuously enrolled if they maintain enrollment throughout the regular nine-month academic year. (Students may reside with parents during the summer unless the course of study requires summer enrollment.)

2. If the parents of dependent students move from Iowa while the students are seniors in high school, the students are considered Iowa residents as long as the students do not establish domicile in another state.

3. Individuals who come to Iowa and enroll in any postsecondary education institution for a full or substantially full program are presumed to have come to Iowa primarily for educational purposes and are not considered to be Iowa residents.

4. Former Iowa residents who leave Iowa for periods of less than 12 months and reestablish domiciles in Iowa are considered to be Iowa residents. If the absences are longer than 12 months, students may be considered residents if they reestablish Iowa domiciles and present evidence showing long-term ties to Iowa.

5. Students who move to Iowa may be considered Iowa residents at the next registration following 12 consecutive months in Iowa provided the students have not enrolled as more than half-time students in any academic year term, are not enrolled for more than 4 credits in a summer term for any classification, and provide evidence of the establishment of an Iowa domicile. The 12 consecutive months need not be the first 12 months students are in Iowa.

6. Continuously enrolled dependent students who are financially dependent upon their parents and whose parents move to Iowa may be considered Iowa residents at the beginning of the next term.

7. Refugees or individuals granted asylum by the government may be considered Iowa residents only if they come directly to Iowa from refugee facilities or ports of debarkation or come to Iowa within a reasonable time and have not established domiciles in other states.

8. Aliens who have immigrant status establish Iowa residency in the same manner as U.S. citizens.

9. American Indians who have origins in any of the original people of North America and who maintain cultural identification through tribal affiliation or community recognition with a tribe or nation connected with the state of Iowa may be considered Iowa residents.

Commission staff will review individual student cases through information provided on the "Application for Iowa Resident Classification" form. The "Application for Iowa Resident Classification" form is available on the Commission's website at: <https://www.iowacollegeaid.gov/content/forms-and-applications>.

For students that are documented Iowa residents but list a "State of Legal Residence" on the FAFSA other than Iowa, the following procedures will need to be followed to report a disbursement in the State Scholarship and Grant Reporting System:

- If you have documented a residency override in which the appropriate tax base is Iowa, you will want to update the State of Legal Residence on the ISIR to Iowa and submit the update to CPS. Also document the residency update in the student's file (at your campus). There are limited situations where the student's or parent's tax base could be in another state, which would justify the Legal State of Residence being something other than Iowa (example: See Section C, numbers 1 and 2 for examples that could produce this situation). In these situations, the school must contact Commission staff to add a record to the System for processing. Documentation must be supplied to Commission staff to verify these situations.
- The updated ISIR record should be available in the State Scholarship and Grant Reporting System within one week of submitting the update to CPS, and will be available for reporting in our system (our agency only has access to ISIRs from Iowa residents). When you report the disbursement in the System, be sure to add an information code (IC) of "RO" – for Residency Override.

**\*\*Students awarded prior to December 2, 2015 had their residency determined based on a prior policy. This policy can be located at <https://www.iowacollegeaid.gov/sites/default/files/Residency%20Policy%20Prior%20to%20December%202%2C%202015.pdf>.**

## **D. ENROLLMENT**

The number of enrollment hours required to qualify for assistance varies by program. Information concerning specific enrollment criteria is provided in individual program chapters of this Guide. For all awards, college and university officials must maintain documentation verifying Iowa aid

recipients' enrollment status and report the enrollment status in the State Scholarship and Grant Reporting System.

## **E. FINANCIAL NEED**

### **1. Determination of Need**

low a financial need is defined as the difference between the student's cost of education, as determined by the Commission using information provided on college and university budget questionnaires, and the student's ability to pay those costs (the calculated Expected Family Contribution) as determined by the Central Processing System using the information provided on the FAFSA. Applicants who demonstrate need and have EFCs equal to or less than the Commission's current awarding parameters (see individual program chapters) are identified as award recipients.

In most cases, the Commission's calculated need is consistent with the college or university's calculated need. However, there may be cases when students do not demonstrate need under the state-funded student financial aid programs but do demonstrate need under the college or university's evaluation of need (see Chapter 2 "Gift Aid" for an example). In these cases, college and university officials must comply with the Commission's need criteria when awarding state-funded aid.

In accordance with Iowa Code Chapter 12D.7, students, parents, and college and university officials may request that an Expected Family Contribution be recalculated by the Commission if the student or family was required by the federal Department of Education to include information about an Iowa 529 plan on the FAFSA. Iowa 529 plan proceeds are not to be included when determining eligibility for state-funded aid.

### **2. Standard Allowance**

The Code of Iowa defines education expenses to include tuition, mandatory fees, and room and board. A standard allowance, covering books, supplies, transportation, and personal expenses, is added to direct education expenses. This standard allowance is determined annually by the Commission from survey responses provided by college and university officials (see Chapter 2).

## **F. PROFESSIONAL JUDGEMENT**

College and university officials must use sound judgment and detailed documentation when reviewing special cases for possible adjustments to the Expected Family Contribution (EFC) especially when judgments affect Iowa

aid eligibility. College and university officials should use the Federal Department of Education's guidance on use of Professional Judgment found in The Federal Student Aid Handbook.

## **G. PROJECTED INCOME**

College and university officials may use projected income to determine an applicant's eligibility for state-funded student financial aid awards. One disbursement of state-funded student financial aid may be made prior to verifying actual income as long as college or university officials have no reason to believe application information is inaccurate.

When projected income (income in the year the student begins school) is used, college and university officials must collect and review income documents and use new documented income to recalculate student EFCs and verify student eligibility. New EFCs must be calculated based on the actual base year income and must be completely documented in student files.

If a student is found to be ineligible for lowa aid based on information collected and the new EFC calculation, college or university officials must provide updated student disbursement information in the System. State funds must be returned to the Commission, and future lowa awards for the student must be made based on final EFC calculations.

## **H. RESTRICTIONS**

**1. Defaulted Loans.** Students receiving state-funded student financial aid must not be in default on Federal Family Education Loans, Federal Direct Student Loans, Perkins/National Direct/National Defense Student Loans or any other federal student loans, or owe repayment (or be in overpayment status) on any Title IV assistance or state awards (this includes exceeding NSLDS loan limits). Commission staff notifies colleges of all state aid recipients that have a default/overpayment flag on the ISIR.

After loan defaults have been resolved, through payment in full of the delinquent obligation or by Commission ruling on the basis of adequate extenuating evidence, college and university officials may provide lowa financial aid awards. Documentation of resolved loan defaults must be maintained in student files.

**2. Satisfactory Academic Progress.** Students must be making Satisfactory Academic Progress (SAP) as defined by college or university standards.

Students not meeting the college or university's SAP policies may not receive state financial aid. Retroactive awards cannot be made when students achieve Satisfactory Academic Progress standing.

**3. Ineligible Course Work.** The current repeat coursework policy for state financial aid mirrors the Federal Student Aid policy. If a student is retaking coursework and qualifies for Federal Student Aid for that coursework, the student also qualifies for state aid (effective for the 2013-14 academic year). Some exceptions do apply\*. Students also may not apply state funds toward courses to be completed through life experience credit, credit by examination, consortium course work delivered by non-HCL-accredited institutions, or correspondence study.

## **I. APPEALS**

Students may appeal Commission rules by writing to the Student Financial Aid Programs Coordinator and following the procedures outlined in the Commission's appeal process found in Iowa Administrative Code (see Appendix B).

\* Iowa Code under the Iowa Vocational Technical Tuition Grant, Kibbie Grant, and Iowa Barber and Cosmetology Arts and Sciences Tuition Grant specifies that in certain situations, colleges cannot pay a student for repeated coursework. Those stipulations are clarified below:

*"A qualified full-time student may receive...tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study...if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received."*

The definition of 'courses for which credit was previously received' is a completed course for which a college awarded credit (e.g., a passing grade).